

Article - Business Regulation

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§13–105.

(a) (1) If a trading stamp company fails to redeem its trading stamps, each rightful holder of its trading stamps may make a claim against the bond in accordance with this section.

(2) For purposes of this section, a rightful holder includes a retailer that rightfully holds trading stamps for issuance to customers.

(b) The claim shall be submitted to the Secretary of State within 3 months after the failure to redeem trading stamps.

(c) (1) The Secretary of State promptly shall determine whether the trading stamp company should have redeemed its trading stamps.

(2) If the Secretary of State so determines, the Secretary of State shall notify the trading stamp company of that determination.

(d) (1) If the trading stamp company fails to redeem its trading stamps within 10 days after the notification, the Secretary of State shall publish notice of the failure in 3 consecutive issues of 1 or more newspapers that have general circulation in the State.

(2) The notice shall state the time within which proofs of claim and the trading stamps on which they are based must be submitted to the Secretary of State.

(e) Proofs of claim and the trading stamps on which they are based shall be submitted to the Secretary of State within 3 months after the first publication of the notice.

(f) Promptly after the end of the 3-month period, the Secretary of State shall determine the validity of all claims.

(g) The surety shall pay to the Secretary of State the lesser of:

(1) the amount necessary to satisfy:

(i) all valid claims; and

(ii) reasonable administrative costs to determine and pay the claims; or

(2) the amount of the bond.

(h) The Secretary of State promptly shall:

(1) distribute equitably to the claimants the proceeds of the bond, less reasonable administrative costs; and

(2) destroy the trading stamps surrendered to the Secretary of State.

(i) (1) On the effective date of each new bond that a trading stamp company submits, all liability on earlier bonds ends.

(2) A rightful holder who makes a claim under this section on or after that date shall make the claim only against the new bond.

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